

Introduced by McDavid Council Bill No. PR 194-13

A POLICY RESOLUTION

supporting a compensation philosophy for employees of the City of Columbia, Missouri that reflects the values and goals of the City.

WHEREAS, the City of Columbia, Missouri (hereinafter "City") has an interest to ensure the City's financial resources are used in the most effective and efficient manner; and

WHEREAS, the City has an interest to provide a rational basis for making compensation decisions and eliminating arbitrary salary assignments to establish internal fairness to its employees; and

WHEREAS, the City has an interest to maintain salary ranges that are competitive with labor markets from which employees are recruited, both within the public and private sectors; and

WHEREAS, the City has an interest to establish job titles and job descriptions that are consistently used throughout the City; and

WHEREAS, the City has an interest to clarify relationships among employee classifications in order to avoid overlaps and gaps in responsibilities; and

WHEREAS, the City has an interest to clarify the knowledge, skills and abilities required for an employee to competently perform duties of the employee's position and aid in the development of career paths; and

WHEREAS, the City has an interest to assist supervisors in evaluating and rewarding employee job performance; and

WHEREAS, the City desires to implement a compensation philosophy to further the foregoing interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Council hereby supports the following compensation philosophy for employees of the City of Columbia, Missouri submitted by the City Manager:


The City of Columbia, Missouri's compensation philosophy is to provide City employees with base salaries and benefits which are externally competitive

and internally equitable while recognizing individual performance. The City identifies with, and competes for, talent among diverse organizations in both the public and private sectors in the State of Missouri and, in some cases, across the United States. Given the desire to provide fair and reasonable compensation and also ensure the prudent use of taxpayer funds, the City of Columbia targets benefits and compensation levels at the median of the competitive labor market.

SECTION 2. The City Council hereby directs the City Manager to implement the compensation philosophy for employees of the City of Columbia, Missouri, as funding may permit, through amendments to Chapter 19 of the Code of Ordinances, or by administrative rules promulgated under Chapter 19, in support of the compensation philosophy.

ADOPTED this 7th day of October, 2013.

ATTEST:




City Clerk



Mayor and Presiding Officer

APPROVED AS TO FORM:



City Counselor

CITY OF COLUMBIA, MO
PAY & HEALTH INSURANCE HISTORY 2006 - 2019

Fiscal Year	Temporary Payment/Other	Market Adjustment to Pay Ranges	ATB Increase	Performance Pay	Move Toward Midpoint*	Health Insurance Change
2019	Establish \$15 minimum pay rate for permanent employees and adjust pay as required. \$2/per hour increase to refuse collector positions. End \$40 per pay period temporary payment.	Market adjustments to pay bands not made. Recommended adjustments to pay bands A - F were 2% to 2.4%.	\$0.45/hour	NONE	Full move to midpoint for eligible employees with a score of at least 2.0 on their FY 2018 performance evaluation.	3.30%
2018	\$40 per pay period for 25 pay periods	Market adjustments to pay bands not made. Recommended adjustments to pay bands A - F were 2% to 2.2%.	NONE	NONE	NONE	7.00%
2017	N/A	Market adjustments to pay bands not made. Recommended adjustments to pay bands A - F were 1.7% to 2.3%.	\$0.25/hour	NONE	NONE	13.80%
2016	N/A	Market adjustments to pay bands A - F of 1.7% to 1.95%. Move to new minimum of pay range for employees below the new range minimum.	2%	NONE	20% of diff between pay & midpoint	NONE
2015	N/A	Market adjustments to pay bands A - F of 1.5% to 1.7%. Move to new minimum of pay range for employees below the new range minimum.	2%	NONE	20% of diff between pay & midpoint	NONE
2014	N/A	New pay structure and compensation philosophy adopted. Established new pay ranges. Move to new minimum of pay range for employees below the new range minimum.	NONE	NONE	NONE	NONE
2013	N/A		\$0.27/hour	NONE	NONE	4.80%
2012	N/A		\$0.25/hour	NONE	N/A	NONE
2011	N/A		NONE	NONE	N/A	7.00%
2010	N/A		NONE	NONE	N/A	(2.90%)
2009	N/A		\$0.25/hour	0% - 3% (3% Max)	N/A	7.00%
2008	N/A		1.5% or \$0.30/hour	0% - 3% (3% Max)	N/A	4.10%
2007	N/A		4% or \$0.50/hour	NONE	N/A	(11.60%)
2006	N/A		3% or \$0.38/hour	1%	N/A	12.50%
*Part of compensation & classification system adopted in FY 2014 – employees with 5 years “time in class” as of March 1st were eligible						

Note: Market adjustments are calculated off the midpoint of each pay grade.

Cumulative midpoint adjustments by band if recommended market adjustments were made:

A	6.55%
B	6.40%
C	6.20%
D	6.00%
E	5.90%
F	6.20%

Comparative Across the Board Increases

- The University is reallocating their budget to have performance and promotion pay money; no across-the-board increase
- Columbia Public Schools pay increase average starting July is 4.8%
- Boone County gave a 1% across-the-board and gave a backdoor raise by reducing employee contributions to pension by 2%
- Missouri state employees will get 3% on January 1, 2020

FY 2020 Pay Plan Scenarios

Across the Board Adjustment - Done First

Move to Minimum Adjustment

Move to Midpoint (100% for >=5 Years in Classification)

It is a lower total cost to do the Across the board increase first.

Option	8a. 3% ATB Increase, Move to new Pay Grades, 100% Move to New Midpoints for >=5 Years in Class			8b. 3% ATB Increase, Move to new Pay Grades, 100% Move to New Midpoints for >= 5 Years in Class, Move to 3/4 Point for >= 10 Years in Classification		
		Total # of EEs	General Fund Cost		Total # of EEs	General Fund Cost
ATB Increase	3%	1,507.00	\$1,476,315	3%	1,507.00	\$1,476,315
Move Job Codes to PayPoint Recommended Pay Bands	X			X		
Move Pay Bands to Recommended Mid Points	X			X		
Move to Minimum Adj	X	168.00	\$321,855	X	168.00	\$321,855
100% Move to Midpoint for >= 5 Yrs in Classification	X	166.00	\$612,810	X	166.00	\$612,810
Incremental Move to Midpoint (40% for 3 Years, 30% for 4 Years, 30% for 5 Years)						
Move to 3/4 Point for >= 10 Yrs in Classification				X	196.75	\$1,287,651
Number of Employees that Only Receive the ATB Increase		1,185.00 or 78.63%			1,055.25 or 70.02%	
Total General Fund Cost			\$2,410,980			\$3,698,631

Move to minimum and move to midpoint adjustments are lower in number of eligible employees and cost because some or all of that cost was made up with the across the board increase.

This approach helps with compression more than doing the move to minimum and move to midpoint increases first.

Since the City has not funded performance pay since the adoption of the pay philosophy, this approach provides a greater benefit to employees who have been in their classification for more than 5 years and should be considered proficient in their job.

The total cost for option 8a (with a 3% ATB increase) is \$298,338 lower than option 4o (with a 2% ATB increase that occurs after the Move to Min and Move to Mid.

The move to 3/4 point for 10 years in classification assists with pay compression.

FY 2020 Pay Plan Scenarios

Across the Board Adjustment - Done First

Move to Minimum Adjustment

Incremental Move to Mid Adjustment (40% for 3 Yrs in Class, 30% for 4 Years in Class, 30% for 5 Years in Class)

Option	8c. 3% ATB Increase, Move to new Pay Grades, Incremental Move to Midpoint			8d. 3% ATB Increase, Move to New Pay Grades, Incremental Move to Midpoint, Move to 3/4 Point for >=10 Years in Class		
		Total # of EEs	General Fund Cost		Total # of EEs	General Fund Cost
ATB Increase	3%	1,507.00	\$1,476,315	3%	1,507.00	\$1,476,315
Move Job Codes to PayPoint Recommended Pay Bands	X			X		
Move Pay Bands to Recommended Mid Points	X			X		
Move to Minimum Adj	X	168.00	\$321,855	X	168.00	\$321,855
100% Move to Midpoint for >= 5 Yrs in Classification						
Incremental Move to Midpoint (40% for 3 Years, 30% for 4 Years, 30% for 5 Years)	X	318.85	\$1,192,348	X	318.85	\$1,192,348
Move to 3/4 Point for >= 10 Yrs in Classification				X	196.75	\$1,287,651
Number of Employees that Only Receive the ATB Increase		1,061.00 or 70.41%			931.40 or 61.80%	
Total General Fund Cost			\$2,990,518			\$4,278,169

It is a lower total cost to do the Across the board increase first.

Move to minimum and move to midpoint adjustments are lower in number of eligible employees and cost because some or all of that cost was made up with the across the board increase.

This approach helps with compression more than doing the move to minimum and move to midpoint increases first.

Since the City has not funded performance pay since the adoption of the pay philosophy, this approach provides a greater benefit to employees who have been in their classification for more than 5 years and should be considered proficient in their job.

The incremental move to midpoint will have a greater impact on creating a larger range to hire new employees, which helps the City compete in a low unemployment market because we generally hire new employees at rates between the minimum and the midpoint.

The total cost for option 8c (with a 3% ATB increase and incremental move to midpoint) is \$473,431 lower than option 4q (with a 2% ATB increase that occurs after the Move to Min and incremental move to midpoint).

The move to 3/4 point for 10 years in classification assists with pay compression.

Question: If a move to 3/4 point approach is chosen, will a minimum score on performance evaluations be required?